GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3641
ANSWERED ON:17.04.2008
DECREASE IN CUSTOM DUTY
Gehlot Shri Thaawar Chand

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the protection provided to the petrochemical industries is diminishing due to sharply decreasing custom duty;

(b) if so, the details thereof?

(c) whether the petrochemical industry is in crisis due to anomaly in the structure of VAT, higher rates of tax on inputs and products, wide disparity in taxes from one State to another; and

(d) if so, the action taken by the Government to provide protection to the petrochemical industries and rationalise the duties and tax structure?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI B.K.HANDIQUE)

(a)(b) & (d): The Petrochemical Sector is de-licensed and de-regulated.Currently most of the petrochemicals products attract custom duty between 5 to 10%.The current peak rate of custom duty is 10%. Department of Chemicals & Petrochemicals through a consultation process with the stakeholder industry association recommends corrections in the duty/tax structure to Ministry of Finance during the pre-budge/post-budget exercise on an annual basis.

(c): This is a state subject.